
Education Committee

HB 2812

Brief Description: Modifying school district levy provisions.

Sponsors: Representatives Hunter, Rodne, Quall, Nixon, P. Sullivan, Jarrett, Clibborn, Tom, Morrell, Fromhold, Roberts, Schual-Berke, Simpson, Anderson and Kagi.

Brief Summary of Bill

- Beginning with calendar year 2005, makes the temporary increase in levy bases enacted in 2004 permanent.

Hearing Date: 1/25/06

Staff: Sarah Ream (786-7303).

Background:

Initiatives 728 and 732 as originally passed by the voters in 2000 provided additional state funds to public K-12 schools. In 2003, the Legislature enacted legislation that reduced the amounts school districts would have otherwise received under I-728 and I-732. Then, in 2004 the Legislature enacted legislation that allowed districts, for levies collected in calendar years 2005 through 2007, to increase their levy bases by the amount they would have otherwise received if I-728 and I-732 had not been amended. These changes are described in more detail below.

I-728 and amendment in 2003

I-728 dedicated lottery proceeds and a portion of the state property tax for educational purposes by transferring revenues to the Student Achievement Fund and the Education Construction Account.

I-728 gave school districts an allocation of \$450/FTE beginning with the 2004-2005 school year. Thereafter, the \$450 per FTE would increase annually for inflation.

However, in 2003 the legislature enacted Engrossed Substitute Senate Bill 6058, which changed the per FTE allocation as follows:

- \$254/FTE for the 2004-05 school year;
- \$300/FTE for the 2005-06 school year;
- \$375/FTE for the 2006-07 school year; and,
- \$450/FTE for the 2007-2008 school year. In subsequent years, the annual allocation would be \$450/FTE increased for inflation.

I-732 and amendment in 2003

I-732 provided that beginning with the 2001-2002 school year, an annual cost-of-living adjustment (COLA) would be granted to K-12 teachers and other public school employees.

During the 2001-2003 biennium, the Legislature appropriated sufficient funding to provide a COLA to K-12 staff. In 2003, the Legislature enacted Senate Bill 6059, which removed the provision requiring the annual COLA for the 2003-2005 biennium.

Increase to levy base following the 2003 amendment of I-728 and I-732

In 2004, Senate Bill 6059 temporarily increased each district's levy base, and resulting levy equalization allocations, for calendar years 2005 through 2007. A district's levy base was increased by two factors:

(1) The difference between what a district would have received if I-728 had not been amended and what the district did receive; and,

(2) The difference between what the district would have received if it had received the COLA as provided by I-732 and what it actually received.

Summary of Bill:

The increase in districts' levy bases provided by Senate Bill 6059, enacted in 2004, is made permanent for levy collections in calendar year 2005 and thereafter.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.